

hospital program, is going to be out of money by 2024, and now, in fact, starting last year, more money was being paid out than taken in to support this program. The Medicare actuary predicts that without changes to the current law, something that was basically not looked at when the health care law was passed, in fact, it was assumed that these certain cuts to physicians would occur in the law. In fact, what we know is that without any changes to the law, physician reimbursements will fall from 80 percent of private rates to 57 percent of private rates in 2012.

What does that mean? That means that the situation for physician practices will get even worse, whereby they can't even meet the costs of their practice. Therefore, they're going to continue to limit their exposure to taking on new Medicare patients. That means access problems. That means Medicare patients cannot get access to physicians.

We need real solutions to this. We need fact-based solutions. We need answers to the problem and not political rhetoric. So far, that's all we've seen, largely coming from the other side and from the White House on this. In fact, we're on a path to see the bankruptcy of this Medicare program if we don't act.

Now let's take a step back and look at what happened in the health care bill. This health care bill, which passed without Republican support, cut over \$500 billion from this Medicare program to expand coverage into a new entitlement, an extension of the Medicaid program. We're digging a deeper hole for ourselves without a way to pay for this. And now the plan calls for immediate 17 percent cuts in benefits for our current seniors. Current seniors, not people who are going to go on to Medicare in the future. Seniors who depend on this important program today.

Another thing that's in this bill, and it's not well-known, is a new bureaucratic entity that was created. There were many that were created in the health care bill, but there's one that really bothers me as a physician. It's called the Independent Payment Advisory Board. Okay. It sounds kind of innocuous, but what does it do? It's a 15-person board arbitrarily chosen that will make life-and-death decisions about what things will be paid for under the Medicare program.

Now, what is the recourse in all this? This is an arbitrary decision-making body, and you cannot dispute what this body is going to do. In fact, for Congress to override it, it would take three-fifths of the Senate to override it. This is going to damage the doctor-patient relationship. It's bad for Medicare patients.

I could tell you that Republicans have an idea about how we're going to fix this. I can't get into it now, and I'll do it in a subsequent speech.

DEBT CEILING

The SPEAKER pro tempore. The Chair recognizes the gentleman from Vermont (Mr. WELCH) for 5 minutes.

Mr. WELCH. I thank you, Mr. Speaker.

Members of the House, the default clock is ticking. We face a default on August 2 if we do not raise the debt ceiling. Raising the debt ceiling is always a difficult vote. It is difficult because we have to do something that's necessary but not popular.

Now, the question of the debt ceiling is about paying obligations already incurred. It's not about giving this House of Representatives permission to spend more money. But what has happened with this debt ceiling debate is that it is being used as leverage by both sides to try to get its way on a long-term budget resolution, and the reality is that this country needs both. It needs, number one, to have a long-term resolution on its fiscal situation, but, number two—this is the immediate need—it has to pay its bills.

America is a great country. It has always paid its bills, and the debt ceiling is about that and nothing more. Incidentally, those bills are ones that have been incurred by Congresses that many of us were never part of. And it's not a question of whether it's a bill that you would have supported incurring the expense for: the Iraq war, the Afghanistan war, the Medicare prescription part D, the two cuts in taxes during the Bush administration, all of which were on the credit card. I was against those, but those are obligations that we have and we must pay them.

The risk of default is enormous. Every increase in the interest rate of 1 percent will cost the American taxpayers \$160 billion. The default clock is ticking.

Now, 2 weeks ago the majority brought to the floor a clean debt ceiling bill for the purpose of defeating it, and immediately upon bringing this bill to the floor and defeating it, with unanimous Republican opposition and many Democrats voting no, Members went back to their offices and called Wall Street and said, Just kidding. We will raise the debt ceiling but we wanted to send a signal.

□ 1020

We are playing with fiscal fire here. You know, it's fine to negotiate, but negotiations cannot lead to default.

Mr. Speaker, if we in this Congress, with the Republican majority now leading the way, fail to honor the Nation's obligations by making good on our responsibility to pay our bills, the bond market will work its will and we will lose our AAA credit rating, and we will do enormous damage to this economy.

This is not about a Democrat or Republican speaking. Let me quote Chairman Bernanke and a few others who commented on the urgency of paying our bills. Chairman Bernanke just yesterday said that failure to raise the

debt ceiling would create fundamental doubts about the creditworthiness of the United States and damage the special role that the dollar and the Treasury securities have in the global market. Now, I understand the desire to use the debt limit deadline to force some necessary and difficult fiscal policy adjustments, Mr. Bernanke said, but the debt limit is the wrong tool for that important job.

A few other people commenting on this:

JPMorgan CEO Jamie Dimon: A default would be a moral disaster. It will dwarf Lehman. Every single company with treasuries, every insurance fund, every requirement that—it will start snowballing, automatic, if you don't pay your debt. There will be default by rating agencies. All short-term financing will disappear. That's Jamie Dimon of JPMorgan.

The Chamber of Commerce: Failure to raise the debt ceiling would create uncertainty and fear and threaten the credit rating of the United States.

Moody's Rating Service on downgrading America's rating: Since the risk of continuing stalemate has grown, if progress in negotiations is not evident by the middle of July, such a rating action is likely.

Fitch Rating Service: Failure to raise the debt ceiling in a timely manner would imply a crisis of governance that could imperil the U.S.'s AAA status.

So we have two problems. We have a long-term problem that requires resolution, a long-term fiscal plan, but we have an immediate problem, and that is to protect the integrity of America's reputation for paying its bills.

If we have a downgrade in our rating, it's going to affect the interest rates that we pay, and that's going to hurt folks in Republican districts. It's going to hurt folks in Democratic districts who have no power to do anything.

We must raise our debt. We must pay our bills.

WE NEED TO GET PEOPLE BACK TO WORK

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. KINZINGER) for 5 minutes.

Mr. KINZINGER of Illinois. Mr. Speaker, last September President Obama referred to America's small businesses as the "anchors of our Main Streets." Unfortunately, economic data released on Wednesday proved that the President's actions speak louder than words. The failed policies of the Obama administration have left small businesses struggling.

According to the National Federation of Independent Businesses, confidence in small business has dropped into recessionary levels. And the reason? Small businesses will tell you that their economic uncertainty is caused by low sales, high taxes, and burdensome government regulations.

Now, I hail from the State of Illinois. Let me tell you a little story about Illinois. Illinois just went and raised its

personal income tax level and it raised its corporate tax level. So, as a result of this, just a few days ago, we saw *The Wall Street Journal* put out an editorial which basically said Illinois has raised \$300 million in revenue because of the corporate tax increase. Oh, but however, because of the businesses threatening to leave Illinois, they've already spent \$240 million in giveaways to corporations to keep them there.

This idea, this thing that we've been on over the last couple of years of tax, borrow, and spend our way to prosperity isn't working. I remember when the President's economic—well, you know what? In my own home district, unemployment exceeds 11 percent in many of the counties. People are asking me: What are you doing to create jobs? Well, I tell them this: Look, the Federal Government can do one thing. We can create an environment for job creation, but the Federal Government doesn't create jobs, and that's been the problem, because in the last 2 years we've been counting an \$800 billion stimulus as a miraculous job recovery bill.

In fact, the President promised that by this time unemployment would be 6.7 percent. How's that working out? The President's team promised that if we passed an \$800 billion stimulus bill unemployment would never exceed 8 percent. We saw it approach 10 percent, and now it's back on the rise again.

Mr. Speaker, you don't solve our jobs problem by spending more money, because we spent money, and where are the jobs? Where are the jobs? What we need to do is to understand that jobs are not created by this body, but they're created by the private sector, by the folks who get up every day and they put their minds together. They come up with an idea. They risk their capital. They risk their financial well-being, and they hire somebody in hopes that this dream that they have succeeds. In many cases, it doesn't. A lot of folks with an idea to begin a small business are not successful, but then they get up and they try again.

But if you talk to any small business owner, you talk to any manufacturer in the United States, they will tell you that the biggest impediment to job creation is government regulation and taxation.

Is there really anybody that believes—now, I understand some people can argue we have to raise taxes to get more money to government, fundamental disagreement, but I understand people can argue that. But is there anybody that truly believes that raising taxes creates jobs? Is there anybody who really believes that? And what's the number one issue we have right now.

We want to take people, the almost 10 percent, the 9.1 percent of folks in this country that desperately want to have a job, we want to take them from a tax recipient to a taxpayer because they want to be a taxpayer, too.

The definition of insanity is doing the same thing over and over and over

and over and over and expecting different results each time. But you're going to get the same result. When this body spends money, when we spend \$800 billion on a stimulus, we've got nothing but a future of debt, doubt, and despair. Well, I believe we have a future in this country that's prosperous, that never accepts second best.

There's a lot of youth watching here today, but you have a job when you graduate from college, a country that never accepts anything less than being a world leader, and I believe we never ever accept second best. So when we talk about what to do in the future, we need to talk about the most important thing. We do have to rein in spending, but we have to get people back to work, and more and more spending isn't going to do that.

MEDICARE

The SPEAKER pro tempore. The Chair recognizes the gentleman from Washington (Mr. McDERMOTT) for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, I rise today to talk about Medicare, Medicare in a fact-based universe where truth matters.

With Medicare, people's health is at stake and their financial life is at stake as well. Republicans and Democrats don't agree on much these days, but most people agree that the long-term deficits of this country are driven by ever-rising health care costs. If you solve the problem of skyrocketing health care costs, our deficit problem would largely go away. What to do is the problem.

Democrats feel we have an unbreakable compact with seniors. Democrats think basic health needs of the elderly should be guaranteed and the elderly should never be driven into bankruptcy. Republicans think there is no compact with the elderly and that bankruptcy is just natural economics.

So the Republicans have wanted to kill Medicare ever since it was passed in 1965. As recently as 1993, Speaker Gingrich said: We want it to wither on the vine. The craziest thing about the Republican plan to kill Medicare is that their plan does nothing to control costs. Despite all the Republican screaming about budgets and deficits, their plan does nothing to fix the single largest problem that threatens the whole of our economic situation in this country.

□ 1030

The Republican plan is to give seniors a coupon for about half their monthly premium and then walk away. If you can't pay the other half of the premium, too bad, no health care for you. If you can pay and it bankrupts you, too bad. Costs will continue to skyrocket.

We Democrats think that the Ryan wrecking ball is the wrong way to go. Democrats are responsible stewards of the Medicare system. Democrats want

to lower costs, improve care, and keep the elderly from going bankrupt.

Now, it's important to keep the debate on Medicare reality based. The fact is that when we passed the health care law last year, the Republicans went around wildly screaming about death panels and scaring as many voters as possible. It was all politics, and it was not true.

The fact is that the health care reform had 165 measures in it to improve Medicare. Medicare is about paying for doctors, nurses, hospitals, drugs. The health care law improved Medicare by helping doctors focus more on taking care of patients, by keeping nurses from drowning in paperwork, by making hospitals more efficient, and by getting fairer prices for drugs.

The Democrats worked with hospitals to improve the payments and, so, saved the country \$157 billion in the hospital payments. The Republican plan did nothing to save Americans money. It just shifted the cost from the government onto Grandma and her kids. The Democratic health care law saved \$136 billion by reducing payments to insurance companies. The Republican plan gave a runaway train of money to insurance companies.

The annual Medicare trustee report came out last month, and it said that the new health care law was a sizable improvement to Medicare. \$500 billion of savings and better care for more people. Those are the facts. It's what any good company would do—increase quality and lower costs.

The Democrats have a plan for Medicare, and we passed it in the Affordable Care Act last year. That's why the Republicans want to repeal it.

You've got to understand what all this repeal talk is about. They want to get rid of the improvements that we made in health care. We cut money from one place that didn't make sense and improved care for prevention, for other places for seniors. We knew what we were doing.

But the Republicans' goal has always been to end Medicare as we know it. They have been very clear from 1964 right straight through Newt Gingrich and through the Ryan plan. They don't want to have a Medicare that guarantees seniors' security. They want to give them a little coupon and say: Now go find an insurance company that will take care of you, Grandma.

Think about that.

What seniors really want is certainty. When you get old, what you worry about is: How am I going to take care of myself? And how am I going to help my kids and leave a little something to them? Am I going to have to go to my kids and say: I can't go to the doctor because I can't pay for it?

That Medicare card is their security. The Republicans want to get rid of it. We have already passed a plan to save it.